

Brownfields Redevelopment Opportunity in the Meadowlands



CASE STUDY OF THE PATERSON PLANK ROAD AREA



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Overview

The New Jersey Meadowlands Commission (NJMC) is charged with facilitating environmental preservation and enhancement, promoting quality economic development, and providing for the solid waste needs of the region. The 30.4 square-mile Hackensack Meadowlands District is located approximately five miles west of New York City in northern New Jersey. The District encompasses portions of fourteen municipalities in two counties: Carlstadt, East Rutherford, Little Ferry, Lyndhurst, Moonachie, North Arlington, Ridgefield, Rutherford, South Hackensack, and Teterboro in Bergen County and Jersey City, Kearny, North Bergen, and Secaucus in Hudson County.

The Paterson Plank Road area is located within the Meadowlands District along a portion of the municipal boundary shared by the Boroughs of Carlstadt and East Rutherford. The area consists of 148 properties totaling approximately 210 acres. Uses include manufacturing, vehicle and truck repair, radio station facilities, hotels, restaurants, and various other industrial-type uses. There are also several parcels of vacant land. Berry's Creek, a tributary of the Hackensack River, bisects the area.

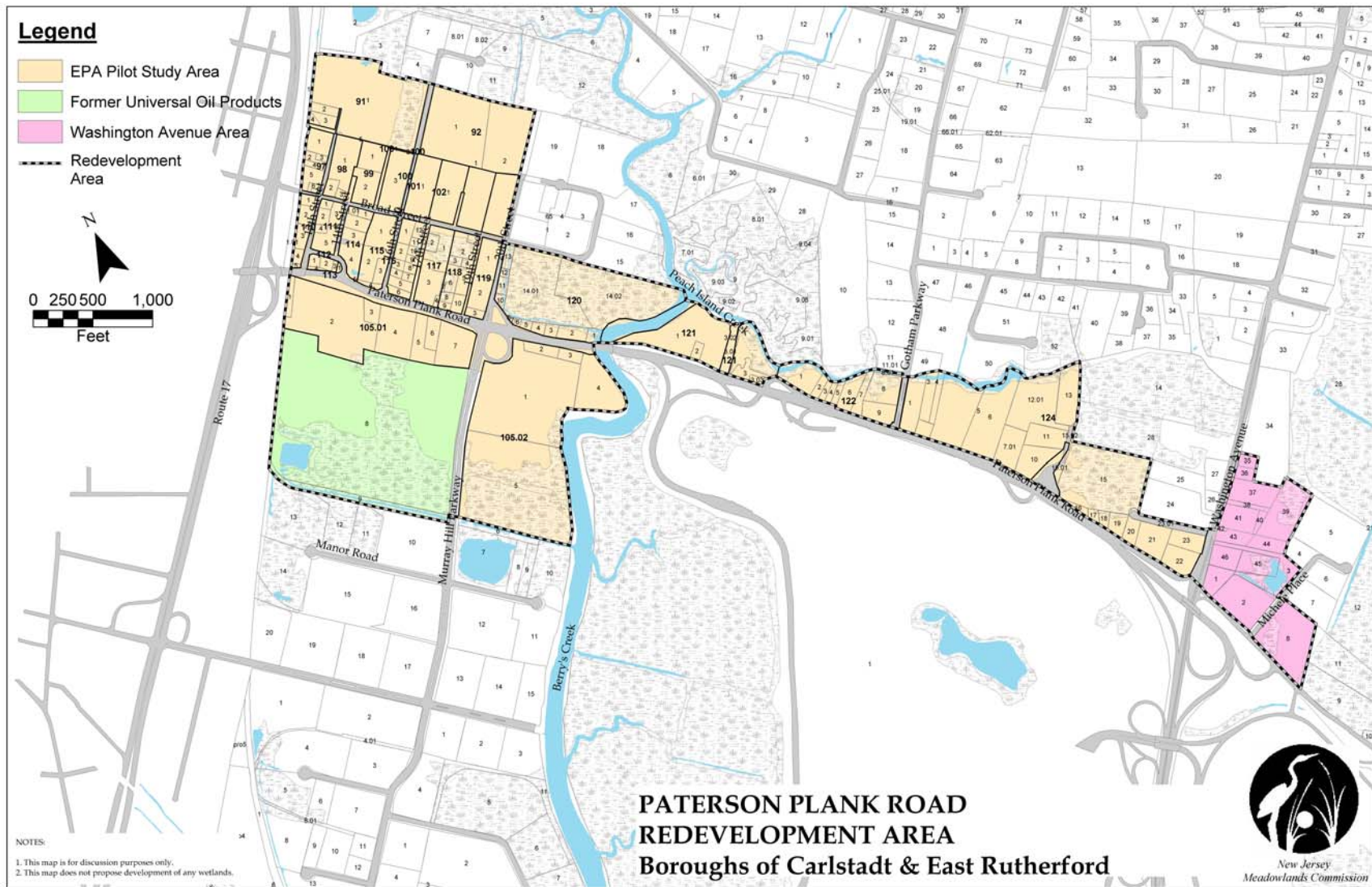
Based on requests from municipal officials, the NJMC declared the area to be "in need of redevelopment" pursuant to N.J.S.A. 13:17-20 et seq. in January 1999. In October 1999, the United States Environmental Protection Agency (USEPA) recognized the potential of the Paterson Plank Road study area by awarding the NJMC a Brownfields Demonstration Pilot grant for environmental investigations and remedial planning activities. The USEPA defines brownfields in general terms as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence of a hazardous substance, pollutant, or contaminant."

In September 2003, the NJMC adopted a redevelopment plan that included the study area and the former Universal Oil Products (UOP) property in East Rutherford. The UOP site had been the subject of a prior redevelopment plan that was not implemented. In February 2004, the NJMC amended the redevelopment plan to add the parcels located within the adjacent Washington Avenue Redevelopment Area in Carlstadt. The three areas, now comprising the Paterson Plank Road Redevelopment Area, face similar redevelopment challenges and opportunities. The Paterson Plank Road Redevelopment Area is shown in the map on page 2.

This case study summarizes activities and experiences of the five-year, USEPA-assisted Pilot. It has been prepared to inform property owners and other stakeholders about the Pilot, to showcase the redevelopment potential of the Pilot's study area and the larger redevelopment area, and to serve as a general reference for parties with an interest in brownfields redevelopment.



The study area contains a mix of old and modern uses, a common indicator that an area is ripe for redevelopment on a grander scale.



The Opportunity

The study area's primary asset is its location, adjacent to the Meadowlands Sports Complex. The Continental Airlines Arena site, located within the Sports Complex, is planned as the future home of Meadowlands Xanadu, a regional entertainment destination. The site plan includes 1.76 million square feet of office, 0.5 million square feet of hotel space, 1.5 million square feet of sports and family entertainment, 0.3 million square feet of public space, 0.7 million square feet for retail and service uses, and a movie theater. The increased activity in and around the Arena site should provide a catalyst for the revitalization of the Paterson Plank Road area. Even before the Arena plans were announced, there had been an influx of hotels and restaurants into the area.

The NJMC's redevelopment plan envisions future land uses to complement the planned Xanadu project and to provide a gateway to this regional entertainment destination. The intent is to also create a unique commercial and retail environment for the adjacent Meadowlands communities. The plan additionally provides for the region's needs for modern, properly planned warehouses, light industrial facilities, and flex-space development according to market demands and infrastructure constraints. It divides the redevelopment area into four distinct zones, each with a theme and projected environment to maximize its potential for development.

Another advantage of its location is the study area's strategic position within the region's transportation network, straddling Paterson Plank Road from Route 17 in the west to the interchange with Route 120 in the east. This portion of Paterson Plank Road is heavily traveled and acts as an alternative route between westbound Route 3 and northbound Route 17. The Xanadu project's traffic improvement needs are currently being

evaluated. Any improvements made would potentially benefit the NJMC study area, as well.

A wealth of environmental information is available to further enhance the area's redevelopment prospects. Characterizations of the area have generated high quality data and information to effectively reduce the stigma stemming from historic industrial uses.

The NJDEP has issued No Further Action (NFA) letters regarding sixteen properties environmentally investigated in accordance with the State's Technical Requirements for Site Remediation (N.J.A.C. 7:26E). The respective NFA letters indicate that none of these properties have been impacted by a discharge of hazardous substances or hazardous wastes. The Borough of Carlstadt conducted the environmental investigations with the support of grant monies from the New Jersey Hazardous Discharge Site Remediation Fund (HDSRF).



The NJMC's redevelopment plan provides for a retail entertainment district that will capitalize on the plans for the Meadowlands Sports Complex.

The overall conclusion of the characterizations is that the study area's environmental issues are not unreasonable, given its history. These issues should not preclude redevelopment from taking place. Redevelopment activities, however, need to be based upon an understanding of the nature and distribution of environmental impacts.

Pilot Experiences

During the five-year USEPA Pilot, the NJMC gained many insights about working through the brownfields process. Key "lessons learned" are summarized here as a reference for parties interested in characterizing, remediating, and redeveloping brownfields.

Why did the NJMC select the study area for a USEPA Pilot application? The study area had a concentration of known and suspected contaminated sites. Several properties were listed in the NJDEP database of known contaminated sites, including the Berry's Creek Drainage Basin, which has been listed as an active site since April 1, 1992. Portions of the study area were known to be tainted with heavy metals and other hazardous substances, in the form of both soil and groundwater contamination. Manufacturing and commercial activities were perceived as having resulted in polluting activities and contamination at additional sites. Other sites were suspected of being contaminated, due to their proximity to the sites with known contamination.

There were additional factors viewed as contributing to the area not realizing its full economic potential. These factors, including flooding, inadequate roadway configurations, substandard and abandoned buildings, and diversity of ownership, warranted a concentrated redevelopment focus.

What is a brownfield? The commonly cited definitions are rather general and, consequently, may be somewhat difficult to apply. The federal Brownfields Revitalization and Environmental Restoration Act of 2001 defines a brownfield as:

Real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Previously, the federal government defined brownfields as:

Abandoned, idled or underused industrial and commercial properties where expansion or redevelopment is complicated by real or perceived environmental contamination.

The former federal definition was in use at the time the NJMC applied for Pilot funds.

The most recent legal definition in New Jersey is found in the Brownfield and Contaminated Site Remediation Act (BCSRA), enacted in January 1998. The act defined a brownfield as:

Any former or current commercial or industrial site that is currently vacant or underutilized and on which there has been, or there is suspected to have been, a discharge of a contaminant.

When preparing the application for the USEPA Brownfields Demonstration grant, the NJMC felt that the existing evidence of contamination, along with certain indications of underutilization, resulted in most properties meeting the basic tests of the federal and state definitions. Because Pilot funds for environmental investigations were limited, a more detailed brownfield definition or approach was required to establish priorities for

investigations. The intent was to encourage redevelopment of the entire study area by producing information regarding the type and amount of contamination at the priority locations.

Selection of the priority sites was based primarily upon a comprehensive site-ranking matrix, which was prepared to visually depict site characteristics researched for each of the properties within the study area. The matrix compared each property to a number of databases and other indicators commonly used to assess the likelihood of contamination. In general, those sites deemed most likely to contain high levels of contamination were assigned a high priority ranking. Sites mostly covered with wetlands and shallow lots expected to be impacted by the proposed expansion of Paterson Plank Road were generally assigned a low priority. Consideration was also given to each site's development potential and marketability.

The Pilot's matrix concept may guide a community's development of a locally driven approach to identify and inventory brownfields. The approach should take into account the community's unique needs and political realities. The following questions may be considered:

- What are we trying to accomplish? Land use and economic development objectives are considerations. Consequently, an inventory that lists a large number of sites may have little, if any, utility. A site engaged in polluting activities but containing a viable business may not be viewed as high a redevelopment priority as an abandoned site. If that active business site is within or adjacent to a larger area in need of redevelopment, it may, however, warrant a relatively higher rank.
- Are properties formally identified in one or more federal or state governmental reports or databases? It is generally difficult to refute the brownfield designation for

listed sites. Sites included on the federal Superfund or New Jersey Known Contaminated Sites lists are excluded from some government programs; however, their current status of remediation and their eligibility for other brownfield program assistance are considerations in identifying them as part of a local inventory.

- Have manufacturing and commercial uses at additional sites possibly caused polluting activities that may result in contamination? Business directories, municipal records, aerial and Sanborne maps, and windshield surveys are among the tools for identifying these properties.
- What criteria should we use to determine whether sites are idle, abandoned, or underused? An inventory may include properties with buildings that have been vacant, manufacturing facilities that have been operating below capacity for an extended time, evidence of deterioration, and lot sizes or layouts inconsistent with modern use requirements.



Berry's Creek, a tributary of the Hackensack River, meanders throughout much of the Paterson Plank Redevelopment Area. The redevelopment plan seeks to preserve existing wetlands as part of a larger open space network.

The York Center for Environmental Engineering and Science at the New Jersey Institute of Technology (NJIT) is partnering with the NJMC to prepare an inventory of brownfield and grayfield properties throughout the Meadowlands District. Grayfields are commonly viewed as real property declining in use, but with no contamination. Once the inventory's methodology is refined, it may provide additional guidance in defining an approach to identify sites.

Why identify and redevelop brownfields? It is increasingly recognized that environmentally impacted land can be remediated and reused for productive purposes. In the Meadowlands, most suitable, uncontaminated properties have already been developed. Land that at one time may have been considered an undevelopable detriment to the community may now be considered a resource that should be inventoried and managed for redevelopment. Here are the key advantages to locating and redeveloping brownfields:

- Yield suitable properties for redevelopment projects, encouraging smart growth and sustainable development while preventing urban and suburban sprawl.
- Provide a reference for potential developers, including listings for the New Jersey Brownfields Site Mart.
- Select suitable management techniques for environmental characterizations, based in part on the selected end use.
- Receive government assistance, both technical and financial, for environmental investigations, cleanup and redevelopment.
- Help property owners and business operators avoid enforcement actions, penalties, and costly clean-ups.
- Limit owners' liability through their timely participation. When selling, owners are required to disclose known contamination to buyers, who will do their due diligence to confirm owner-supplied information.

- Enhance property values, a benefit to both owners and the local tax base.
- Create businesses and jobs, or needed open space.
- Enhance good will and improve the quality of life in the community.
- Promote stakeholder relationships and foster ongoing cooperation in redevelopment activities.
- Establish a baseline to measure successful redevelopment over time.

How can communities engage property owners to cleanup and redevelop their brownfield sites? Given the many advantages associated with brownfield redevelopment, it would seem that property owners would be keen to proceed. The Pilot observed, however, that property owners frequently needed time to grow in understanding and acceptance of their properties as brownfields. Many owners were reluctant to accept the stigma commonly associated with the brownfield label. In fact, some had never thought of their properties as being brownfields. Others were already aware, but they were satisfied to leave their properties in the current condition. These owners may have been using their sites profitably and believed that any contamination was not at a level that would cause harm.

Once owners were approached, they often expressed a number of concerns. Many were uneasy that their business operations, some in place for a number of years, might be interrupted at considerable inconvenience and expense. Additionally, owners questioned whether their property values would be enhanced sufficiently to justify an investment for cleanup. Some owners were also alarmed about the prospects of relocation, especially to a more expensive location. Would they be able to resume operations and make an adequate economic return?

The NJMC used most of its Pilot funds to prepare Preliminary Assessment (PA) reports regarding twenty-three properties in the study area. Owner cooperation was necessary to gain site access, conduct inspections, and interview owners and tenants. Access was facilitated through meetings, informal conversations, and mailings to property owners, beginning early in the process. The Commission did not formally invoke its statutory power to gain access to private property for investigations, although owners were informed of this authority.

Ultimately, the Xanadu project should facilitate redevelopment of the Paterson Plank Road Redevelopment Area. When the Pilot began in 1999, however, Xanadu was not even envisioned. Once plans for the Continental Arena site were solicited and under review, the NJMC placed redevelopment planning for the study area on hold. The NJMC wanted future land uses in the Paterson Plank Road area to complement plans approved for the Arena site. In some instances property owners misinterpreted the NJMC's pause in the redevelopment process as a sign that the Commission was not fully committed to moving forward. This likely slowed the pace at which certain owners became willing to participate in the redevelopment process.

Because their participation is so critical, a strong promotional campaign involving property owners should be the foundation of any community's brownfield redevelopment initiative. If at all possible, the redevelopment timetable should allow reasonable time for property owners to reorganize their thinking before expecting them to commit to remediating and redeveloping their sites or selling to a redeveloper. The community may take several actions to support owners facing confusion and uncertainty. Regular contacts, through face-to-face meetings, telephone conversations, and mailings, can inform owners about the community's activities. Listening to owners express their concerns may be as important as providing information. Also,

the community needs to be able to show regular progress to demonstrate both its commitment and capacity to move forward. It would be helpful, as well, to establish the area's planned end uses prior to or at the same time as conducting environmental characterizations. This will not only assist with determining suitable investigative techniques, but it will also encourage reluctant owners to visualize the future.

How might an advisory group contribute to the brownfield process? As part of the USEPA Brownfields Pilot initiative, the NJMC formed a Technical Work Group to provide regulatory guidance, share insights and ideas, and aid in the decision-making process. Work group members were selected for their familiarity with the Paterson Plank Road area and specialized knowledge in areas of concern to the Pilot. The workgroup was comprised of representatives from government agencies expected to play an active role in the project:

- Bergen County Economic Development Corporation
- Borough of Carlstadt
- Borough of East Rutherford
- H2M Associates, Inc., consultants to the NJMC
- New Jersey Department of Environmental Protection
- New Jersey Institute of Technology
- New Jersey Meadowlands Commission
- United States Environmental Protection Agency

To broaden stakeholder participation, the Technical Work Group conferred with representatives of other government agencies as needed. Also, the NJMC held a number of meetings and interviews with property owners, their tenants, and other stakeholders to inform them about the Pilot, to gain information about environmental conditions, and to discuss redevelopment planning. The NJMC's website provided information about Pilot activities.

Although this arrangement served the Pilot's basic purposes, communities seeking to establish a brownfield advisory group may choose to balance the group somewhat differently. In addition to government officials, the group might include representatives of property owners, developers, the business community, environmental groups, citizens, community groups, and other stakeholders for balance.



The collective expertise of the Technical Work Group was a vital component of the USEPA Pilot.



How can communities maximize the use of limited resources to produce quality environmental information about brownfield sites? Prospective buyers of a brownfield site will usually discount the property's value based on their best estimate of the cost of remediation ("A Guidebook for Brownfield Property Owners," published by the Environmental Law Institute). Lowering the buyer's uncertainty by providing quality environmental characterization of the site and its surrounding areas can facilitate the sale. In other instances, the current owner may consider redeveloping the site and would similarly benefit from this information. The NJMC was able to effectively use the limited available resources as follows:

- Set priorities for site investigations. A site-ranking matrix, prepared to depict key characteristics of each property, guided the prioritizations (see page 5).
 - Leverage available financial resources to characterize environmental conditions, based on investigation priorities.
1. Pilot funds were used to prepare twenty-three Preliminary Assessment (PA) reports regarding thirty properties. The PA's identified and examined existing information that might indicate the presence of contamination.
 2. The New Jersey Hazardous Discharge Site Remediation Program provided funding to the Borough of Carlstadt for PA's regarding sixteen additional properties in the study area. The NJDEP has issued NFA letters for these sites.

3. An additional nineteen sites are currently being investigated and/or remediated under NJDEP or USEPA oversight. The NJMC has compiled information on these sites with the assistance of the regulatory agencies and the NJIT.
 4. NJIT conducted an area-wide characterization of environmental conditions, funded with a USEPA Technical Innovation grant. The Area Wide Assessment approach seeks to evaluate environmental conditions where there are clusters of Brownfield sites on a regional scale, rather than individual properties. The approach allows focus on regional environmental issues, which normally cut across property boundaries. The study area was well suited to the area-wide approach because of the number of brownfield properties involved, diversity of ownership, and certain commonalities related to geology, hydrogeology and surface water drainage. The USEPA's Region 2 mobile laboratory may also be used for site characterizations.
- Apply to the NJDEP's Brownfields Development Area (BDA) Initiative. The NJMC will consider making application at the next opportunity. All brownfield sites within a designated BDA are assigned to a single NJDEP case manager, who coordinates with partnering state agencies to direct targeted technical and financial assistance to brownfield sites. If the study area is selected, the NJDEP will assist with designing and implementing remediation plans for the properties simultaneously, so remediation and reuse occur in a coordinated fashion.

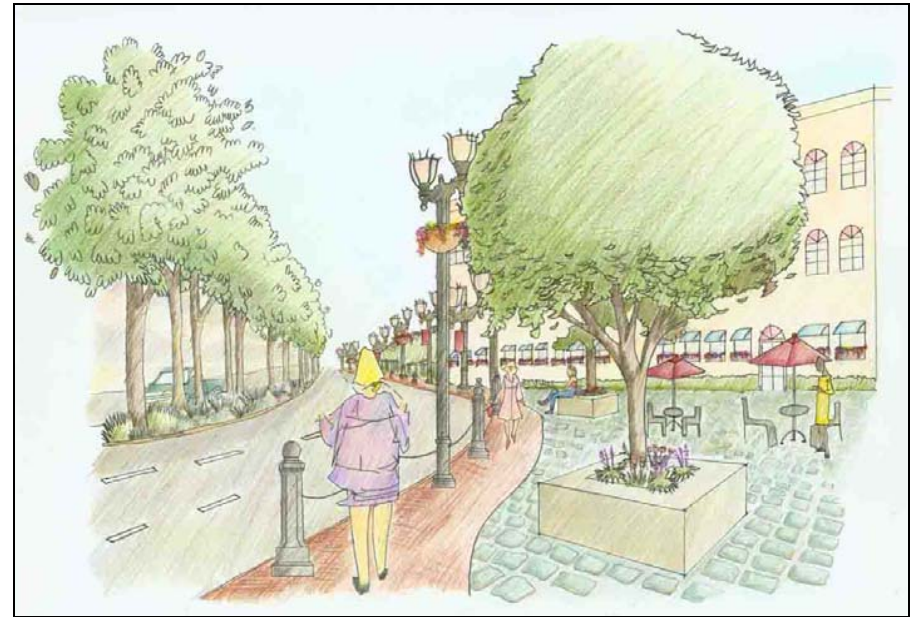
- Connect with land use planning and redevelopment activities to ensure that suitable environmental characterizations are used. Since residential uses are not envisioned under the Paterson Plank Road redevelopment plan, environmental cleanup would not need to be based on unrestricted use. For unrestricted use, more detailed and expensive environmental characterizations may be necessary to attract redevelopers.

What will be the NJMC's next steps to revitalize the study area? The Commission's redevelopment powers provided under the Hackensack Meadowlands Reclamation and Development Act support the NJMC in redeveloping brownfield sites and neighboring properties. The process is very similar to that provided municipalities under the New Jersey Local Redevelopment and Housing Law.

To realize the vision of its redevelopment plan for Paterson Plank Road, the Commission is currently considering several alternatives, including a joint venture with one or more redevelopers. Property owners may participate as redevelopers, either singly or in groups. The NJMC would work with the selected redeveloper(s) in planning, permitting, land acquisition, and other facets of redevelopment. The adopted redevelopment plan should enable potential developers to consider the ultimate uses permitted within each of the planning zones in connection with the available environmental information.

Marketing the redevelopment area will require a comprehensive approach. Advertisement of any Request for Proposals would need to be distributed in suitable trade publications and mailings to developers with a proven track record working with brownfields. Postings on the NJMC and other websites may provide additional outreach.

How might the NJMC determine whether the Pilot's activities have been instrumental in spurring redevelopment of the Paterson Plank Road area? The Pilot's ultimate success may not be readily determined. Will the environmental information generated under the Pilot's umbrella sufficiently reduce the uncertainty to potential developers, enabling them to proceed? Or will market forces prove to be so strong that redevelopment would have taken place anyway, particularly with the coming of Xanadu? Can these questions ever be fully answered? In any event, the Pilot's proactive approach offers communities the prospect of bringing to fruition the many opportunities presented by their brownfields, whether located in clusters or at scattered locations.



Internet Resources

Bergen County Economic Development Corporation;
<<http://www.bergen4business.com/>>

Brownfield Source; <<http://www2.brownfieldsource.org/>>

Carnegie-Mellon University; The Brownfields Center;
<<http://www.ce.cmu.edu/Brownfields/>>

Hudson County Economic Development Corporation;
<<http://www.hudsonedc.org/>>;
<<http://www.hudsonbrownfields.org/>>

International City/County Management Association; Local
Government Environmental Assistance Network;
<<http://www.lgean.org/>>

National Brownfield Association;
<<http://www.brownfieldassociation.org/>>

New Jersey Department of Community Affairs; Office of Smart
Growth; <<http://www.nj.gov/dca/osg/>>

New Jersey Department of Environmental Protection; Office of
Brownfields Reuse/Site Remediation Program;
<<http://www.nj.gov/dep/srp/brownfields/>>

New Jersey Economic Development Authority; Brownfields
Redevelopment, <<http://www.njeda.com/brownfields.asp>>

New Jersey Institute of Technology; York Center for
Environmental Engineering and Science;
<<http://www.cees.njit.edu/index.php>>;
<<http://www.nhsrce.njit.edu/>>

New Jersey Meadowlands Commission;
<<http://www.meadowlands.state.nj.us>>

Rutgers, the State University of New Jersey; The Edward J.
Bloustein School of Planning and Public Policy; National Center
for Neighborhood and Brownfields Redevelopment;
<<http://policy.rutgers.edu/brownfields/>>

United States Army Corps of Engineers; Brownfields;
<<http://hq.environmental.usace.army.mil/programs/brownfields/brownfields.html>>

United States Department of Commerce; Economic
Development Administration; <<http://www.eda.gov/>>

United States Department of Commerce; National Oceanic and
Atmospheric Administration;
<<http://www.susdev.noaa.gov/brwnflds.html>>

United States Department of Energy;
<<http://www.energy.gov/engine/content.do>>

United States Department of Housing and Urban Development;
Brownfields Economic Development Initiative;
<<http://www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/index.cfm>>

United States Environmental Protection Agency; Brownfields
Cleanup and Redevelopment;
<<http://www.epa.gov/brownfields/>>;
<<http://www.epa.gov/swerosps/bf/>>

University of New Orleans; The Center for Brownfields
Initiatives; <<http://www.brownfields.com/>>